

**SECTION 230 -- PREPARATION AND SUBMISSION OF THE ANNUAL PROGRAM
PERFORMANCE REPORT**

230.1 The purpose of the annual program performance report.

As an agency, you submit an annual program performance report (the annual report) to the President and Congress. Your report is submitted within six months of the end of a fiscal year. The report covers your program and operational activities during that year. The submission is timed to provide Congress with information on past performance as it considers an agency's budget request and annual performance plan.

The Government Performance and Results Act (GPRA or the Results Act) specifies the content of your annual report. The annual report provides information on your actual performance and your progress in achieving the goals and objectives in your strategic plan and annual performance plan (the annual plan). Actual performance is compared to the projected performance levels in your annual plan. Where target levels were not achieved, you explain why and describe the steps you are taking to accomplish such goals in the future.

These annual reports introduce a greater emphasis on organizational and managerial accountability for program execution and results throughout the Executive branch. The GPRA provisions related to the program performance report are set out in Exhibit 230 .

You prepare only one annual report for a fiscal year. Missing or incomplete performance data is included, as it becomes available, in a subsequent year's annual report.

**230.2 Relationships between the annual program performance report, the annual
performance plan, and the accountability report.**

(a) The general relationship between the strategic plan, the annual plan and the annual report.

You base your annual report on the performance goals and indicators in your annual plan. Your annual report must cover all performance goals in your annual plan. In certain instances, the annual report need not cover performance indicators in the annual plan. (See subsection 232.4(b) on omitting reporting on certain performance indicators. See section 200.2 for definitions of performance goals and performance indicators.)

Your agency's annual report can also record achievement of the general goals and objectives in your strategic plan. This is done as follows: when an annual plan for a particular fiscal year states a general goal or objective as a performance goal, the annual report for that year will cover achievement of that general goal or objective.

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Coverage of other annual plan elements in your annual report is not mandated. However, an agency may describe aspects of data collection and reporting that are specific to the fiscal year covered by the annual report (see subsection 232.2(d)). An agency may also briefly narrate how the means and strategies described in the annual plan related to performance goal achievement.

(b) Including actual performance information in the annual plan.

In your FY 2002 annual plan, you include at least four years of performance information (see sections 220.7 and 221.2). This includes actual performance information for the fiscal year (FY 2000) covered by the annual report, as well as actual performance information for FY 1999. Information on actual performance, as it appears in the annual plan, should substantively mirror what is presented in the annual report. An annual plan omits comparisons between projected and actual performance levels and provides no explanation for why performance goal target levels were not met.

Actual performance information usually first appears in the final annual plan, which is generally sent to Congress in February. The initial annual plan is sent to OMB in September. This date is before the end of the fiscal year for which actual performance is reported. Thus, the initial plan will likely contain little actual performance information when sent. Agencies may add actual performance information to the initial plan during the Fall. (As the FY 2002 Budget will be sent by a new President, schedules for submitting the FY 2002 performance plan are being adjusted.)

Agencies may also add actual performance information to a revised final plan. (Only actual performance information that became available after the final annual plan was sent to Congress can be added.) Revised final plans are prepared around October. Information is added only for those goals that are being revised. An agency does not add actual performance information for unrevised goals. Rather, this latter information is included in next year's final performance plan. For example, an agency does not obtain actual FY 2000 performance information for a program until May 2001. The performance goals for this program are not changed in the revised final plan for FY 2002. The agency would include this actual performance information in its FY 2003 final plan (this plan will include performance information for FY 2000). (See section 220.2 on the three iterations of an annual plan.)

The appearance of actual performance information in the annual plan does not relieve an agency of its responsibility to include the same information in an annual report. If newly obtained performance information appears in a revised final plan, this information must also be included in the subsequent year's annual report. This will ensure that actual performance information is presented along with other required elements of an annual report.

(c) Combining the annual report with the annual plan or the annual accountability report.

Your agency may choose to merge your annual performance report with your final annual plan. Agencies may not merge the annual report with the revised final plan, as this plan is not usually formally sent to Congress and the President. (See subsection 233.1(b) on potential impediments to merging the FY 2000 performance report with the FY 2002 performance plan.)

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Some agencies also prepared an annual accountability report in recent years. Accountability reports were prepared consistent with requirements set out in the Government Management and Reform Act of 1994. The legislative authority for accountability reports has expired. As of July 1, 2000, Congress was considering legislation that would reauthorize accountability reports. The pending legislation would also amend several program performance report provisions of GPRA. If the legislation is enacted, the instructions in this section will be appropriately modified

This pending legislation would require that certain performance information be included in any agency accountability report that is not combined with a program performance report. The legislation would also allow an agency to combine the annual program performance report with its accountability report. (Exhibit 233 summarizes the major features of an accountability report.) (See section 233.1 on combining an annual report with the annual plan or the accountability report.)

An agency that annually prepares an audited financial statement but does not prepare an accountability report may not combine the program performance report with the statement. The management discussion and analysis portion of the statement may include relevant performance information extracted from the annual performance report.

Section 4(b) of the Government Performance and Results Act

(This excerpt from Section 4(b) covers 31 U.S.C. 1116 (a)-(f) on annual program performance reports.)

“§1116. Program performance reports

“(a) No later than March 31, 2000, and no later than March 31 of each year thereafter, the head of each agency shall prepare and submit to the President and the Congress, a report on program performance for the previous fiscal year.

“(b)(1) Each program performance report shall set forth the performance indicators established in the agency performance plan under section 1115, along with the actual program performance achieved compared with the performance goals expressed in the plan for that fiscal year.

“(2) If performance goals are specified in an alternative form under section 1115(b), the results of such program shall be described in relation to such specifications, including whether the performance failed to meet the criteria of a minimally effective or successful program.

“(c) The report for fiscal year 2000 shall include actual results for the preceding fiscal year, the report for fiscal year 2001 shall include actual results for the two preceding fiscal years, and the report for fiscal year 2002 and all subsequent reports shall include actual results for the three preceding fiscal years.

“(d) Each report shall--

“(1) review the success of achieving the performance goals of the fiscal year;

“(2) evaluate the performance plan for the current fiscal year relative to the performance achieved toward the performance goals in the fiscal year covered by the report;

“(3) explain and describe, where a performance goal has not been met (including when a program activity's performance is determined not to have met the criteria of a successful program activity under section 1115(b)(1)(A)(ii) or a corresponding level of achievement if another alternative form is used)--

“(A) why the goal was not met;

“(B) those plans and schedules for achieving the established performance goal; and

“(C) if the performance goal is impractical or infeasible, why that is the case and what action is recommended;

“(4) describe the use and assess the effectiveness in achieving performance goals of any waiver under section 9703 of this title; and

“(5) include the summary findings of those program evaluations completed during the fiscal year covered by the report.

“(e) An agency head may include all program performance information required annually under this section in an annual financial statement required under section 515 if any such statement is submitted to the Congress no later than March 31 of the applicable fiscal year.

“(f) The functions and activities of this section shall be considered to be inherently Governmental functions. The drafting of program performance reports under this section shall be performed only by Federal employees.